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**FOR IMMEDIATE RELEASE**

***California Farmers Negotiate Stable Price for 2006 &  
Produce Excellent Crop of Dried Plums***

**YUBA CITY, CA, November 10, 2006** – The California dried plum crop has turned out better than expected with excellent quality and fruit size. And thanks to a two-year industry price agreement, prices paid to farmers will remain stable at favorable levels in spite of a rebound to normal production from the last two years of crop shortages that drove spot market prices to unheard of levels. And despite a number of weather, crop, and harvest time challenges, farmers were able to deliver one of the best quality crops in recent years.

This year's price was part of a two-year agreement between farmers and prune packers. Terms of the agreement provided for three price levels on the 2006 crop with the final price depending on the size of the crop as determined by the USDA-National Agricultural Statistics Service. The two-year price agreement was in response to recent crop failures and was put in place to help stabilize prices in the face of severe shortages and sky-high prices. The industry price standard was negotiated between the Prune Bargaining Association and prune packers representing over 70% of the independent tonnage.

Crop tonnage is up from earlier estimates even though adverse weather during the bloom and growing season delayed fruit maturity and resulted in the latest harvest season in recent history. In June, the National Agricultural Statistics Service (NASS) announced their forecast of dried prune production at 145,000 tons based on a survey of California growers. During harvest, industry members expected the crop to amount to 160,000 to 170,000 tons. A post-harvest estimated by NASS predicts a total crop of 170,000 tons, up from 95,000 tons last year, and only 47,000 tons in 2004.

After two crop disasters in a row, many growers were cautious about the outcome of the 2006 crop and climatic conditions added to their concern. The weather during bloom in March was cold and rainy. Full bloom didn't take place until late March or early April. The adverse weather delayed fruit development and raised concerns about fruit set. A heat wave in June caused visible damage to fruit causing it to fall, and the heat scorched leaves and branches, damaging the trees also. A prolonged heat wave in July caused less visible damage, but temperatures in excess of 95 degrees are believed to reduce photosynthesis efficiency so growers worried that sugar development in the fruit would be hampered, reducing fruit size and crop production.

In August, growers faced the difficult decision of harvest timing. Fruit pressure remained high while sugar levels were on the low side. Yet it was apparent that the crop was heavy and that drying space would be limited. Growers had to make a decision whether to hold off harvest and face very limited drying space during the peak season, or going ahead with harvest early, but facing the risk of costly high dry-away ratios and the resulting small fruit and high percentage of unsalable undersize fruit that results from heavy crops that are picked early.

Harvest started around the 25th of August and lasted until the end of September, with a few farmers completing harvest in early October. Optimum fruit maturity occurred around the 8<sup>th</sup> or 10th of September. Many growers found that dryer space was at a premium and their harvest was delayed. Drying times were longer than normal, adding to the backlog at dryers. In addition, drying trays and bins were in short supply since little new equipment had been built to replace old trays and bins during the last two years of short crops. A strong north wind hitting speeds up to 40 to 50 mph hit the crop around the 22nd of September, knocking a significant portion of the unharvested crop on the ground. With high labor costs and limited labor availability, the fruit that fell to the ground was lost.

Fortunately, despite all the difficulties and the heavy crop, fruit quality is excellent and field price levels remained steady thanks to a two-year price agreement between the Prune Bargaining Association and a majority of independent prune packers. Growers were thankful that the bargaining association insisted on setting a new price benchmark in 2004 to account for the much higher costs of production compared to 10 years prior when peak prices hit around \$1,200 per ton. For 2006 the new price agreement called for a top price of \$1,400 to \$1,740 per dry ton depending on estimated crop tonnage. Growers say that with the higher energy and labor costs again this year, the Association was correct in calling for new higher price levels.

The final price for 2006 has now been set with the announcement of the results of a pot-harvest crop estimate. The top price for standard prunes for 2006 is \$1,600 per ton and ranges down to \$650 per ton depending on fruit size. The average gross return is expected to range between \$1,400 and \$1,500 per ton. With increased energy and labor costs, harvesting and drying expenses increased again this year. The cost of harvesting, hauling, drying, hand sorting, and assessments will amount to about \$525 per ton, so the net price for a typical grower will be about \$925 per dry ton. With average yield of 2.5 dry tons per acre this year, revenue after harvesting costs will amount to about \$2,300 per acre, but after all expenses and depreciation and capitalization are considered, the net income will amount to about \$260 per acre. This is the first time since 1994 that the typical net return per acre has been positive. In 1994 the typical net return was estimated at \$323 per acre.

The Prune Bargaining Association was formed in 1968 as a grower-owned cooperative to improve the economy of the California prune industry, encourage the production of a quality product and provide a forum for growers to exchange ideas regarding the industry. The PBA establishes the industry's raw product price for prunes.